

**Opening Statement of the Honorable Lee Terry**  
**Subcommittee on Commerce, Manufacturing, and Trade**  
**Hearing on “Our Nation of Builders: Powering Automobile Manufacturing Forward”**  
**April 10, 2013**

*(As Prepared for Delivery)*

Good Morning and welcome to the third installment in our subcommittee’s series of hearings titled “Our Nation of Builders.” Today we are focusing on the U.S. Automotive manufacturing sector—a sector that supports more jobs than any other manufacturing industry—employing almost 8 million Americans across all 50 states, according to the Alliance of Automobile Manufacturers.

Our subcommittee will be hearing from a distinguished panel of witnesses, consisting of experts from several sectors within the automotive manufacturing industry. It is my hope that our witnesses can shed some light on the criteria taken into consideration when making a determination on where to initiate manufacturing and where to expand manufacturing. I also hope to surface important details on the effect that expanding or initiating manufacturing can have on a community-- whether it be through job creation, increased tax revenue or charitable involvement.

Auto manufacturers, suppliers and dealers have certainly faced tough times in the last decade. The Great Recession saw vehicle production fall from 10.7 million in 2007 to 5.7 million in 2009. However, since 2009, we have seen this figure rebound to 8.7 million vehicles produced and 100,000 jobs recouped or added. This is progress but we have more work to do to create jobs and grow our nation of builders.

Attracting foreign investment to build manufacturing facilities in the U.S., lowering barriers to expansion and incentivizing companies to increase domestic production capacity should be top priorities for this Congress. By all accounts, increased domestic manufacturing is a net positive. When we increase manufacturing we not only increase direct employment but also take advantage of the auto industry’s tremendous employment multiplier—800,000 direct jobs represents a total economic effect of almost 8 million domestic jobs.

We all know that more jobs means less unemployment, more tax revenues for cities and states and a better quality of life for thousands of Americans. What increased domestic manufacturing also means is that the U.S. can expand its export base, and shift from being a net importer to a net exporter. Policies aimed at promoting increased domestic manufacturing, a higher level of foreign direct investment and increased exports are critical right now given the current negotiations on the Trans-Pacific Partnership and the potential for a US-EU free trade agreement.

When discussing trade agreements, many automatically think about tariffs. However, there is much more to these pacts than tariffs on imports. This subcommittee has jurisdiction over, and is very interested in, non-tariff related trade regulations. To that end, we would be very interested to hear the opinions of our witnesses when it comes to the positive effects that pursuing a regulatory mutual recognition standard could have on the domestic automotive industry. I am sure that as the free trade talk continues, this will be an important issue for this subcommittee.

Again, I would like to thank our witnesses for appearing before the subcommittee today and look forward to their testimony.

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